

REPORT

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OF THE

STATE TREASURER,

UPON THE

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FINANCES OF PENNSYLVANIA,

TO THE

LEGISLATURE OF THE STATE,

AT THE COMMENCEMENT OF THE SESSION OF 1845.

Printed by order of the Legislature of Penn'a, January 10, 1845.

HARRISBURG:

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REPORT.

*To the Senate and House of Representatives
of the Commonwealth of Pennsylvania:*

GENTLEMEN:—It is made the duty of the State Treasurer, by the act of Assembly approved the 16th day of March, A. D. 1832, to digest, prepare, and lay before the General Assembly, at the commencement of every session, a report on the subject of the finances of the commonwealth, containing estimates of the public revenue and expenditures for the fiscal year, and plans for the support of public credit, &c.

In pursuance whereof, the following report is respectfully submitted:

This report will be confined principally to the subjects immediately connected with the financial operation of the government, and the public credit of the commonwealth.

The several reports of the Auditor General, the Canal Commissioners, Commissioners of the Internal Improvement Fund, and the detailed report of the State Treasurer, made in pursuance of the provisions of the act of Assembly of 30th day of March, A. D. 1811, will be laid before the Legislature, in the manner provided by the act of Assembly of the 24th day of March A. D. 1843, to which I beg leave very respectfully to refer you for information in relation to the financial operations of the government.

For convenience, and by way of reference, I have caused tabular statements to be made and appended hereto, which will be found arranged under the following heads, to wit:

1. The amount of the state debt.
2. Amount of stocks and public property.
3. The receipts and expenditures for the fiscal year ending the 30th day of November, 1844.
4. An estimate of receipts and expenditures for the year ending the 30th day of November, 1845.
5. Appropriations, and balances of appropriations remaining unpaid on the 30th day of Nov. 1844, and that will likely be required during the year ending 30th Nov., 1845.

By reference to statement marked A, hereto annexed, it will be found that the debt of the state, on the 30th November, 1844, including the loan under the act of 4th May, 1841, and the certificates of loan for interest on 1st of August, 1842, 1st February and August 1843, and 1st February and August 1844, amounts to forty millions seven hundred and three thousand eight hundred and sixty-six dollars and eighty-nine cents.

Statement marked B, shows the public property of the state, and stocks held in various companies of the state, estimated at the sum of thirty-one millions one hundred and ninety-eight thousand seven hundred and sixty-one dollars and forty-three cents.

Statement C, contains a summary exhibit of the whole of the receipts at the State Treasury, for the fiscal year ending on the 30th November, 1844, amounting to two millions three hundred and thirty-one thousand seven hundred and sixty-five dollars and fifty-three cents.

Statement D, exhibits the payments made under various heads, during the same period, amounting to the sum of one million eight hundred and forty-seven thousand three hundred and eighty-five dollars and fifteen cents.

By reference to statement marked E, it will be found that the estimated receipts for the fiscal year ending the 30th November, 1845, are three millions and five thousand dollars, to which may be added the sum of six hundred and sixty-three thousand eight hundred and fifty-one dollars and eighty-eight cents, the balance in the Treasury on

the 30th day of November, 1844; and also the sum of thirty-nine thousand four hundred and ninety-seven dollars, available balance in the Canal Treasury, amounting in all to the sum of three millions seven hundred and eight thousand three hundred and forty-eight dollars and eighty-eight cents.

Statement marked F, contains an estimate of the payments that will be required for the same period, including interest on state loans, &c., amounting to three millions and sixty-one thousand and thirteen dollars and fifty-six cents.

And that marked G, exhibits the appropriations, and balances of appropriations under the act of 31st May, 1844, remaining unpaid on the 30th November, 1844. The balance of the loan under the act of Assembly of the 4th of May, 1841, in notes issued by the several banks of the commonwealth, under the provisions of said act, in circulation on the 30th day of November, 1843, was sixteen hundred and thirty-nine thousand two hundred and sixty-four dollars—of this amount there has been paid during the financial year, by the cancellation of the most depreciated and defaced of said notes, under the provisions of the acts of Assembly, at the Treasury, the sum of two hundred and seventy-four thousand and eighty-seven dollars, and the notes delivered to the Auditor General for destruction in pursuance of the provisions of law, which said notes were cancelled as follows :

December 30, 1843,	-	-	-	-	\$44,087 00
January 31, 1844,	-	-	-	-	50,000 00
February 29, 1844,	-	-	-	-	40,000 00
March 30, 1844,	-	-	-	-	40,000 00
June 29, 1844,	-	-	-	-	50,000 00
September 30, 1844,	-	-	-	-	50,000 00
					\$274,087 00

Being notes issued by the following banks, to wit :

Erie Bank,	-	-	-	-	\$48,100 00
Farmers' Bank of Lancaster,	-	-	-	-	8,600 00
Lancaster Bank,	-	-	-	-	9,000 00
Moyamensing Bank, Philadelphia,	-	-	-	-	7,800 00
York Bank,	-	-	-	-	5,800 00
Towanda Bank,	-	-	-	-	4,900 00
Berks County Bank,	-	-	-	-	4,287 00
Carlisle Bank,	-	-	-	-	9,200 00
Chambersburg Bank,	-	-	-	-	9,800 00
Harrisburg Bank,	-	-	-	-	12,500 00
Northampton Bank,	-	-	-	-	9,900 00
Bank of Penn Township, Philadelphia,	-	-	-	-	12,100 00
The Farmers' Bank of Reading,	-	-	-	-	10,372 00
Columbia Bank and Bridge Company,	-	-	-	-	5,200 00
Bank of Middletown,	-	-	-	-	8,128 00
Lebanon Bank,	-	-	-	-	3,500 00
Bank of Lewistown,	-	-	-	-	12,800 00
Manufacturers' and Mechanics' Bank, Philadelphia,	-	-	-	-	12,400 00
Miners' Bank of Pottsville,	-	-	-	-	11,100 00
Farmers' and Drovers' Bank, Waynesburg,	-	-	-	-	3,800 00
Merchants' and Manufacturers' Bank, Pittsburg,	-	-	-	-	14,800 00
Exchange Bank, Pittsburg,	-	-	-	-	20,600 00
Lancaster County Bank,	-	-	-	-	2,400 00
Wyoming Bank,	-	-	-	-	5,400 00
Bank of Susquehanna County,	-	-	-	-	5,300 00
Gettysburg Bank,	-	-	-	-	4,200 00
Bank of Northumberland,	-	-	-	-	5,800 00
Monongahela Bank, Brownsville,	-	-	-	-	3,600 00
West Branch Bank,	-	-	-	-	2,700 00
					\$274,087 00

There has been funded by the Chester County Bank, seventeen thousand five hundred dollars, and by the Harrisburg Bank, one thousand and forty-two dollars; leaving in circulation on the 30th day of November, 1844, of said notes, one million three hundred and forty-six thousand six hundred and thirty-six dollars. Of this sum, there is at an interest of six per cent. per annum, one hundred and seventy-one thousand six hundred and thirty-six dollars, being redeemable at the following banks, in specie, when demanded, to wit:

The Bank of Northern Liberties, Philadelphia,	-	-	\$70,000 00
“ “ Delaware County,	-	-	43,057 00
“ Farmers’ Bank of Bucks County,	-	-	23,055 00
“ Bank of Germantown,	-	-	35,524 00
			\$171,636 00

The remainder being at an interest of one per cent. per annum, payable semi-annually at the Treasury of the State.

The law, as it now stands, in relation to the cancellation of relief notes, has a happy influence upon the currency, and takes out of circulation the defaced and depreciated of said notes, and is gradually extinguishing the loan under which they were issued, and therefore it is deemed important that it should be continued.

The surplus revenue of the United States, deposited with the state of Pennsylvania under the provisions of the act of Congress of the 23d June, 1836, amounting to the sum of two millions eight hundred and sixty-seven thousand five hundred and fourteen dollars and seventy-eight cents, is not included in the statement exhibiting the indebtedness of the state, no interest being payable thereon.

There remains unpaid of the certificates issued by the Auditor General to domestic creditors, under the resolution of the Legislature of the 7th of April, 1842, and subsequent acts of Assembly, at an interest of six per cent. per annum, payable at the State Treasury semi-annually, the sum of \$104,384 93.

There has been paid, in pursuance of the act of Assembly of the 31st May, 1844, of the domestic debt, to bill and check-roll creditors of the commonwealth, on the public improvements, two hundred thousand dollars, which has nearly extinguished that class of debts. There may remain a small amount yet unpaid, but at most cannot exceed six thousand dollars, according to the best information that could be obtained on the subject.

There has been paid, during the fiscal year ending on the 30th November, 1844, school warrants of different years previous to the school year commencing 1st June, 1844, to the amount of one hundred and sixty-five thousand six hundred and sixty-five dollars and forty-one cents, leaving yet unpaid and outstanding of the old warrants, issued before the passage of the appropriation bill of the last session of the Legislature, to the amount of thirty-two thousand two hundred and eighty-two dollars and thirty-four cents, to wit:

The whole amount of school warrants issued previous to the present			
school year,	-	-	\$2,821,336 22
Amount of warrants paid,	-	-	2,789,053 88
Outstanding warrants,	-	-	\$32,282 34
Amount of appropriation for schools, for school year 1845,	-	-	\$200,000 00
Amount of warrants paid up to the 30th Nov. 1844,	-	-	95,104 99
Balance remaining unpaid,	-	-	\$104,895 01

The old school warrants were principally received from the county treasurers of the several counties, having been in most cases paid by them, or received by the collectors of taxes, in pursuance of a public notice given by the State Treasurer in the year 1843.

In the estimate of the payments to be made at the State Treasury, during the financial year ending 30th November, 1845, is two hundred thousand dollars included for common schools, the amount appropriated last year for that purpose by the Legislature, which may probably be increased, having been reduced last year in consequence of the state of the funds in the Treasury.

All admit the great importance of education, and that some general system should extend over the whole commonwealth, in order to afford an opportunity for all our youth to get an education, sufficient at least, to read and write.

An appropriation less than that mentioned in the estimate would be of little advantage, and might cause the system to go down, and the light that is just beginning to shine under its happy influence, to become extinct.

The institutions of learning in our country should be encouraged, and every facility within our means afforded for the education and moral instruction of the rising generation. Any other course of policy might have a tendency to endanger the stability and duration of our free institutions, and splendid system of government.

There has been assessed in the city of Philadelphia and the several counties of the state, for state purposes, under the several acts of Assembly passed for that purpose, to wit: The act of the 11th June, 1840, the act of 4th May, 1841, the act of 27th July, 1842, and the latter clause of the thirty-fourth section of the act of the 29th April, 1844, the following taxes, viz :

For the year, 1841,	-	-	-	-	\$416,794 85
“ “ 1842,	-	-	-	-	659,512 47
“ “ 1843,	-	-	-	-	968,708 40
Estimated for 1844, equal to 1843,	-	-	-	-	968,708 40
					\$3,013,724 12
From this deduct for collections, exonerations, &c. 10 per cent.,	-	-	-	-	301,372 40
					\$2,712,351 72
Amount paid into Treasury in 1841,	-	-	-	-	\$33,292 77
“ “ 1842,	-	-	-	-	486,635 85
“ “ 1843,	-	-	-	-	553,911 38
“ “ 1844,	-	-	-	-	751,210 01
					1,825,050 01
					\$887,301 71

Showing a balance of outstanding taxes, after making ample allowance for exonerations, collections, &c. as above stated, of eight hundred and eighty-seven thousand three hundred and one dollars and seventy-one cents; which can be made available during the financial year, if proper efforts are made for the collection thereof, and payment into the State Treasury.

The assessments for the year 1845, are now being made, and it is presumed that the valuation of property, &c. made taxable for state purposes, will be equal to that of the year 1843, if not greater; which, by adding one mill additional to the tax, as contemplated by the act of Assembly of the 29th April, 1844, will raise a tax of one million four hundred and fifty-three thousand sixty-two dollars and sixty cents, which added to the outstanding taxes, amounts to \$2,340,364 31.

It will be observed, that in the estimate of receipts into the Treasury for the fiscal year ending on the 30th day of November, 1845, there is an item of twelve hundred and sixty thousand dollars for taxes on real and personal estate, which at first sight, may appear large; but when the foregoing statement on the subject is carefully examined, it may be depended upon with a degree of certainty, and most likely will exceed that amount considerably.

There is a further reason for anticipating that a large amount of taxes will be paid in during the present fiscal year, when the provision of the fortieth section of the act of 29th

April is taken into consideration, which compels the payment of interest, where the whole amount of taxes are not paid into the State Treasury by the second Tuesday of January, in each year.

The country has been in a condition, for some time past, which made it difficult to collect taxes, owing to the large amount of indebtedness hanging over it, from which it is now considerably relieved, and is beginning to assume a new and more healthy condition—from which it may be presumed that the collection of taxes can be made without much difficulty hereafter, and without pressing as heavily upon the producing portion of the community as heretofore.

It is believed, and with a degree of confidence, that the taxes to be assessed and collected for the year 1845, under the provisions of the act of Assembly of 29th April, 1844, together with the revenue from the public improvements, should they remain unsold, after deducting the amount required for the ordinary repairs thereon, if prudently managed, which there is every reason to believe will be the case, under the supervision of our able, experienced and attentive Board of Canal Commissioners of the state, will be sufficient to meet the payment of the interest on the state loans.

Should the public improvements be sold as directed by the act of Assembly of the 29th April, 1844, and approved of by a majority of the citizens of the state, by their votes at the late election, then a tax of two mills upon the valuation of real and personal property made taxable for state purposes, will be sufficient to meet the interest on the remainder of the state debt, which will be reduced at the time the works pass into the hands of the company, to \$25,703,866 89.

By the sixth section of said act it is provided, “that if the said line of public works shall be disposed of in pursuance of said act, and any shares of stock thereby created, shall remain unsubscribed for the space of two years, from the issuing of letters patent, which by the fifth division of the second section of the act, may be issued upon one hundred and fifty thousand shares being subscribed and paid for as therein specified, then and in that case the company incorporated in pursuance of said act, shall subscribe and pay for such shares of stock as remain untaken, and on failure to do so, the said company shall pay to the State Treasurer, for the use of the Commonwealth, five per cent. per annum on the stock remaining unsubscribed;” which will, in either case, leave the amount of debt upon which interest will be payable by the state, twenty millions seven hundred and three thousand eight hundred and sixty-six dollars and eighty-nine cents, (\$20,703,866 89) which at five per cent. will amount annually to one million thirty-five thousand seven hundred and ninety-three dollars and thirty-four cents.

By reference to the estimated amount of tax that will be raised from real and personal estate under the provisions of the act of 29th April, 1844, it will be ascertained that it will exceed the amount of interest payable by the state, after deducting the proceeds of the sale of the main line of the public works, (should a sale take place) exclusive of the tax on corporation stocks, which is also pledged by said act for the payment of interest on the public debt.

The tax for state purposes might then be reduced, should it be found oppressive, but it would be advisable to continue it, and set apart the surplus as a sinking fund to be applied to the payment of the debt.

In either event there will be a heavy indebtedness, and such as will require rigid economy, prudent legislation, and a spirit of patriotism on the part of the citizens to overcome.

This state of things having been brought about by the legislation of the people, through their representatives in by-gone years, for purposes that were judged to be for the best interest of the state, it becomes the duty of the citizens thereof to meet the difficulty in the proper spirit and aid in relieving the commonwealth therefrom, and placing her in the exalted position she heretofore maintained.

In taking a view of the legislation during the period the public improvements were being constructed, it is important to take into consideration the situation and condition of the country, with reference to its means of transit by canals or railroads or otherwise.

It was not until the main line of our public improvements, by canals and railroads was completed, connecting the two great cities and commercial points of the state and opening up a cheap and rapid mode of transporting heavy articles from one point to another, and the products of the soil to market, that a degree of equilibrium in the price of staple commodities and landed property over the several portions of the state, was produced.

This of itself has been of vast importance to the citizens of the state, and in many instances the advantages derived from the public improvements fully remunerate, for the taxes required in consequence of the indebtedness of the state, growing out of their construction.

In addition to this, the state has gained an importance and standing that she could not have otherwise attained, her resources and mineral wealth have become in some degree developed, large tracts of land remaining in the state of nature, have been improved and cultivated, others abounding with coal, which until the public improvements were constructed were of little value, have now become of vast importance and great value, and also a source of revenue to the state.

Without the advantage of the public improvements such as have been constructed, the iron manufactures in this state could not have been able to have successfully competed with those of other states, having the advantage of public improvements, and consequently would have gone down, so far at least as they depend upon foreign market and consumption, and much of the mineral wealth of the state would have been of little importance or value.

The system of public improvements by the state has created a large debt, and in order to be able to meet the interest thereon, a heavy tax is required, which at this time operates severely upon the agricultural portion of the citizens, owing to the depressed state of the markets for produce—yet they are found amongst the very last to murmur against contributing their part by taxation, towards sustaining the honor and credit of the state. They, however, expect and require a faithful discharge of official duties by those who may have charge of the collection and application of the public money, whether raised by taxation or otherwise.

It must be evident to the mind of every person that has examined the subject of taxation, that as a general rule, the system of taxation for any and every purpose, operates severely upon the farming portion of the community. It is ascertained, clearly, that the profits upon the investment, even when managed with great prudence, are much less than that from the same amount invested in mercantile and other active business operations of the country. At the present time there are but few farms that yield a clear annual profit of more than three per cent., and a large portion fall greatly below that sum. It is, therefore, highly important that all other objects of taxation should be made to contribute towards the payment of the indebtedness of the state. The State Treasurer would, therefore, suggest to the Legislature the propriety of enquiring whether an additional amount might not, with propriety, be raised from auction duties.

Upon an examination of the revenue received from this item during eight years, commencing with 1825 and ending with 1832, inclusive, the average amount received by the commonwealth annually, was one hundred and twenty-eight thousand eight hundred and ninety-one dollars and fifty-four cents, (\$128,891 54,) and that during the twelve years, commencing with 1833 and ending with 1844, the average amount received annually, was only seventy thousand five hundred and thirty-seven dollars and forty-eight cents, (\$70,537 48). This is a subject of considerable importance, and in examining into it, the amount of duties levied in other states should be taken into consideration, in order that the advantage, if any, should be in favor of the business community of this state.

In the state of New York the revenue from vendue duties in the year 1841 amounted to two hundred and six thousand seven hundred and two dollars and eleven cents, (\$206,702 11,) and in the year 1843, to the sum of one hundred and sixty-one thousand one hundred and twenty-three dollars and two cents, (\$161,123 02,) but the great amount of importations into the city of New York may, to some extent, account for the large revenue received in that state from auction duties.

By reference to the estimated revenue and expenditures of the state for the fiscal year ending the 30th day of November, 1845, it will be ascertained, that should the receipts as estimated be realized, which have been made with much care, and under the entire belief the amount is not too great, there will be a surplus of \$447,335 32 over the payment of the ordinary expenses of government, the interest on the state loans, and cancellation of relief notes as required by law.

Notwithstanding the accomplishment of the payment of the interest on the state loans, and establishment of state credit on a firm basis, further efforts are required, in order to gradually reduce the state debt, and by that means relieve the citizens of the state from the burthen of taxation. To accomplish this desirable object, some mode should be adopted to raise, annually, a fund to be set apart as a *sinking fund*, to be applied from time to time towards the payment of the state debt.

The State Treasurer, in his financial report to the Legislature, at the last session, urged the importance of creating a sinking fund for the gradual reduction of the state debt, and for that purpose recommended, for the consideration of the Legislature, a moderate tax upon anthracite coal; and still considering it important to keep this item in view, believing that from this source much of the existing state debt will in time be paid, the subject is therefore very respectfully submitted at this time to the Legislature for consideration.

The anthracite coal of Pennsylvania is of incalculable value; but little of this coal has been discovered in any other portion of the Union. The increase in mining operations and consumption of this article is immense, and as yet only in a state of infancy.

The amount of tonnage shipped from Schuylkill county alone, this season, exceeds the whole amount raised at all the mines in the state, in the year 1840, as returned by the marshals.

The amount of tonnage from the state, this season, that reached a market, exceed one and an half millions of tons, up to the 1st December, to wit:

Schuylkill,	-	-	-	-	-	-	802,000
Lehigh,	-	-	-	-	-	-	370,000
Lackawanna,	-	-	-	-	-	-	225,000
Pinegrove,	-	-	-	-	-	-	34,000
Susquehanna,	-	-	-	-	-	-	80,000
							1,511,000

Showing an increase in four years, of nearly one hundred per cent.

A tax of only ten cents per ton, on the amount sent to market this season, would raise a revenue to the state of one hundred and fifty thousand dollars; but double that amount might be raised at a reasonable rate of taxation, and at the same proportionate increase of tonnage as has been for the last five years. In the space of five or six years, a revenue might be raised therefrom, annually, of half a million of dollars.

The duty paid on the manufactured salt of the state of New York, has afforded a revenue to that state, on an average, for the last seventeen years, annually, of one hundred and fifty-six thousand, sixty-six dollars and fifty-seven cents, (\$156,066 57). Up to the year 1834, the duty was at the rate of one shilling per bushel, and produced a revenue in 1833, of two hundred and twenty-nine thousand five hundred and eighty dollars and seventy-five cents. In 1834 the duty was reduced to six cents per bushel, and in 1841 yielded a revenue of \$200,446 14. Might not Pennsylvania, for the purpose of diminishing the heavy debt hanging over the state, raise a moderate revenue from anthracite coal?

The act of Assembly of the 25th April, 1844, entitled "An Act to reduce the expenses of the militia system of the commonwealth, and provide a more rigid mode for the collection of the militia fines," has not yet been fully tested; but from what is known of its operation, it is believed, that should the provisions of said act be faithfully carried out, the fines will be amply sufficient to defray the ordinary expenses of the militia, and that the State Treasury will be relieved thereby from the payment of thirty thousand dollars and upwards, annually. There is due the Southwark Bank, on charter loan, redeemable on the first day of May, 1843, twelve thousand five hundred dollars. The

bank owes the commonwealth, for taxes on dividends and corporation stocks, which they have credited the commonwealth on account of said loan, as follows :

Balance of tax for the year 1842,	-	-	-	-	\$1,806 87
Tax for the year 1843,	-	-	-	-	3,296 00
“ “ 1844,	-	-	-	-	3,668 80
					\$8,771 67

An appropriation should be made by the Legislature, for the payment of the balance of said loan and interest due them, after deducting the above \$8,771 67, due the commonwealth.

The payment of the interest on the state loans, August 1842, and since, by certificates of stock, has increased that item of indebtedness ; and the suspension of money payments, although unavoidable, was much regretted ; but during the intervening time, there has been a large domestic debt paid, which was of such a character, as to require some provision by the Legislature to meet it.

The halls of legislation were surrounded by persons having claims on the state, unpaid and unprovided for, urging that provision should be made for their payment ; and in many instances, the property of the claimants had been seized upon by the officers of the law, and without provisions being made for the payment of their claims on the state, they would have been made bankrupt.

The Legislature made provision, at different times, for the payment of those claims which have been discharged, excepting a small amount, which can be met without any difficulty as to the payment of the interest hereafter, or the ordinary expenses of the government. There has been paid within the period of about two and an half years, of the domestic debt of the state, including the loan of 4th May, 1841, by cancellation of relief notes, over two and an half millions of dollars, to wit :

Domestic creditors' certificates,	-	-	-	-	\$1,566,665 56
Land and other damages on public improvements,	-	-	-	-	36,027 10
Bill and check-roll creditors,	-	-	-	-	260,000 00
Loan of 4th May, 1841—cancellation,	-	-	-	-	782,087 00
Special acts, &c., &c.,	-	-	-	-	25,684 00
					\$2,670,463 66

The condition of the financial affairs of the state at this time, when contrasted with 1842, is very much improved. During a portion of that year, the state loans were selling in market for less than forty dollars on the hundred ; the currency greatly deranged ; discount on the relief notes, and some of the demand notes of the banks of the state, ten, fifteen, and in some instances, twenty per cent. and the whole country in a state of alarm and depression.

The gloom that was for a time overshadowing the financial operations of the state, has, to some degree, passed away, in which there has been a gradual and firm improvement, and also in business generally—from which there is every reason to anticipate a more pleasing state of things, as well in the financial condition of the state, as the condition of the citizens thereof generally.

In obedience to the provisions of the act of Assembly, of the 29th April, 1844, entitled “ An Act to reduce the State debt, &c., ” the State Treasurer has fixed the eighteenth day of February next, for the meeting of the revenue commissioners, and issued his circular to the president judges, respecting their appointment ; and also to the commissioners of the several counties, requesting them to make return of the assessment as required by said act.

The laws, pledging certain revenue of the state, for the payment of interest on the state loans, have never been repealed ; but by the appropriation bills, &c. passed by the Legislature, in the years 1842, 1843 and 1844, the funds were directed to be applied to other objects, and the interest provided for by the issuing of certificates of loan. As the laws now stand, the pledged revenue for that purpose, and which is

contained in the estimate of receipts for the fiscal year, ending 30th November, 1845, is as follows :

Estimated receipts from	Tax on real and personal property, &c.,	\$1,260,000
“ “	Auction duties, - - -	75,000
“ “	Tax on corporation stocks, - - -	75,000
“ “	Collateral inheritance tax, - - -	30,000
“ “	Canal and railroad tolls, after deducting repairs and motive power, - - -	759,000

It will be observed that the pledged revenue for the payment of the interest on state loans, estimated for the fiscal year ending 30th November, 1845, is more than will be required for interest during that period.

That there will still remain of taxes uncollected, after deducting the amount above estimated to be received for state tax, one million of dollars and upwards, towards the interest of the next year, leaving the question as to the payment of the interest on the state loans hereafter settled beyond any doubt, unless some unexpected occurrence should take place.

The item of state loans and transfer of state stocks, owing to the large amount, constitutes an important part of the financial operations of the state government.

By a resolution of the Legislature of the 14th April, 1835, the Auditor General was authorized and required to remove to the Bank of Pennsylvania all the books in his office pertaining to the several stock loans of the Commonwealth, and it was made the duty of the bank to keep a record and entry of all transfers as was required to be kept in the office of the Auditor General, and to furnish a list to the Auditor General previous to the second Tuesday of December in each year, of the holders and amount held by each, as may appear by the books on the 1st November, annually.

The certificates of loan since that period have been made by law, transferable on the books of the Auditor General, or at the Bank of Pennsylvania, with the exception of those issued for interest on the funded debt, August 1, 1842, and February 1, and August 1, 1843, which are only transferable on the books of the Auditor General.

There are in all thirty-five different loans under the various acts of Assembly reimbursable at different periods, each loan requiring a separate set of books and accounts to be kept. The State Treasurer has considered it proper to direct the attention of the Legislature to this subject, as one of importance and worthy of consideration.

The operation in regard to the transfer of loans, calculations and payment of interest thereon, would be greatly simplified and divested of complication, by a consolidation of the several loans of the same rate of interest, reimbursable at the pleasure of the government, at such time as might be deemed most advisable, if it can be so accomplished without operating against the interest of the holders of stock.

The large amount of state loans, and frequent transfer of stocks, &c., the interest of the state and loanholders would seem to require that the stock books, transfer thereof, &c., should be placed under the care and management of an officer of the government at Harrisburg; either the Auditor General or some competent person selected for that purpose, as the Legislature might direct.

The amount of money in the Treasury on the first day of this month, and which can be applied to the payment of the interest on the state loans, due and payable on the first day of February next, is seven hundred and ninety-seven thousand four hundred and sixteen dollars and eleven cents, to wit :

Balance in the Treasury on the 30th Nov. 1844,	-	\$663,851 88
Less, unavailable, - - - - -	-	6,117 00
		\$657,734 88
Balance of receipts at the Treasury in the month of Dec.		
over disbursements, - - - - -	-	138,714 95
Making the sum of - - - - -	-	796,449 83

In the above sum there is fifty thousand dollars that is laid aside in the Treasury for cancellation, which will be cancelled, should it not be directed by the Legislature to be applied to the payment of interest due on the first day of February next.

There will be received, during the month of January, over the ordinary payments at the Treasury, as near as can be estimated, one hundred thousand dollars, making the amount in the Treasury, on the first day of February next, applicable to the payment of interest then due \$896,449 83, provided the Legislature think proper to direct the above mentioned \$50,000 to be applied for that purpose, otherwise the amount will be eight hundred and forty-six thousand four hundred and forty-nine dollars and eighty-three cents.

The whole amount required for the payment of the interest due on the first February next, on the funded debt, is \$873,515 06, leaving a small deficiency to meet the interest then due on the funded debt, exclusive of the above mentioned fifty thousand dollars, but including that sum it will exceed the amount required for the payment of the interest on the funded debt, \$22,934 77.

There will be due on the first day of February next, of interest on the certificates issued for interest, the sum of ninety-seven thousand eight hundred and eighty dollars eighty-four cents, (\$97,880 84).

It is believed that by applying the fifty thousand dollars, before mentioned, to the payment of interest, the whole might be met, including that due on the certificates for interest, by the time it would be required, as it takes some time to pay out the whole of the interest, and it is not called for, in some instances, for a considerable time after it is due; and therefore it is not absolutely necessary that the entire amount should be ready on the first day of February.

Should the Legislature consider it important to have the whole amount required for the payment of the interest, including that due on the certificates for interest, ready on the first day of February, there is good reason to believe the balance can be had on temporary loan, payable out of the first revenue received over the ordinary expenses of government, provided the Legislature so direct.

Should the Legislature decide against authorizing such loan, for the purpose of accomplishing the payment of the whole of the interest then due, it is the opinion of the State Treasurer that it would be important to direct the interest due on the first February next on the funded debt to be paid, and let the balance, being the interest on the certificates for interest, remain until funds are received to meet it.

I would very respectfully suggest to the Legislature the propriety of discontinuing the practice adopted by former Legislatures, of issuing certificates for interest on the state debt, if it should again happen that there was not funds to meet the interest when due, which it is to be hoped will not be the case.

If the system should be continued, it will, from the nature of things, create confusion and difficulty, and have a tendency to depress the price of state stock, as it will consequently throw into market a large number of small certificates, increase the state debt with great rapidity, and cause results disastrous in their character.

It would be decidedly better to pay such per cent. on the interest, when due, as the funds in the Treasury will warrant, if it should happen at any time that there was not a sufficient amount of money in the Treasury to meet the whole, and postpone the balance until sufficient funds were received, or make some general provision by which the deficiency could be obtained on temporary loan, payable out of the first revenue received, than to issue certificates for interest in whole or in part.

In the opinion of the State Treasurer it would be proper, and highly important for the Legislature to make some general provision by law, giving the Governor or State Treasurer power to raise by temporary loan, or otherwise, for the special purpose of paying the interest on the state loans, any deficiency that might happen to be in the amount of funds in the Treasury, to meet the interest at any period when the same became due, (should a deficiency at any time happen,) the amount so raised to be paid out of the first revenue received at the Treasury thereafter.

It is believed that this would insure the punctual payment of the interest hereafter, which is a matter of very great importance to the loanholders, and also the credit of the state.

JOB MANN, *State Treasurer.*

TABULAR STATEMENTS.

A.

*STATEMENT, showing the amount of the public debt on the first day of December,
A. D. 1844, to wit:*

PUBLIC DEBT.

Permanent loans, at 5 per cent. interest,	-	-	-	\$32,881,662 01
“ 4½ “ “ - - -	-	-	-	200,000 00
“ 6 “ “ - - -	-	-	-	1,730,653 37
Certificates of loan for interest on the funded debt, August 1, 1842, and February and August, 1843, 6 per cent. - - -	-	-	-	2,606,333 03
Ditto, for interest on February 1, and August 1, 1844, at 5 per cent.	-	-	-	1,847,040 48
Loan per act of 4th May, 1841, - - -	-	-	-	1,438,178 00
				\$40,703,866 89

B.

*STATEMENT of public property, stocks, &c., belonging to the Commonwealth, 1st
December, 1844, to wit:*

Invested in the Pennsylvania canals and railroads, constructed by the state, - - - - -	-	-	-	\$28,623,410 06
Public buildings and grounds at the seat of government, Harrisburg, estimated, - - - - -	-	-	-	250,000 00
Money due on lands, estimated, - - - - -	-	-	-	200,000 00
State arsenals, powder magazines, &c., - - - - -	-	-	-	100,000 00
Stocks held by the state in turnpike, canal, railroad and navigation companies, - - - - -	-	-	-	2,025,351 37
				\$31,198,761 43

C.

SUMMARY STATEMENT of the Receipts at the State Treasury, from the 1st of December, 1843, to the 30th of November, 1844, both days inclusive.

A. Lands, - - - - -	\$12,027 27
B. Auction commissions, - - - - -	24,220 00
C. Auction duties, - - - - -	68,145 41
D. Tax on bank dividends, - - - - -	46,705 55
E. Tax on corporation stocks, - - - - -	52,379 88
F. Tax on real and personal estate, - - - - -	751,210 01
G. Tavern licenses, - - - - -	40,150 94
H. Retailers' licenses, - - - - -	64,847 75
I. Pedlars' licenses, - - - - -	1,483 93
J. Brokers' licenses, - - - - -	6,460 12
K. Pamphlet laws, - - - - -	338 34
L. Tax on writs, - - - - -	32,921 88
M. Tax on certain offices, - - - - -	1,833 54
N. Collateral inheritance tax, - - - - -	21,631 96
O. Canal and railroad tolls, - - - - -	1,164,325 84
P. Loans, stocks and dividends, - - - - -	26,075 96
Q. United States, - - - - -	7,425 68
R. Nicholson estate, - - - - -	650 68
S. Enrolment of charters, - - - - -	1,100 00
T. Tax on salaries, - - - - -	225 70
U. Militia and exempt fines, - - - - -	1,165 93
V. Escheats, - - - - -	500 00
W. Sales of public property, - - - - -	3,431 28
X. Fees of the Auditor General's Office, - - - - -	44 87
Y. Miscellaneous, - - - - -	2,463 01
	\$2,331,765 53
Balance in the Treasury, Dec. 1, 1843,	459,471 50
	<u>\$2,791,237.03</u>

D.

SUMMARY STATEMENT of Payments at the State Treasury, during the fiscal year commencing December 1st, 1843, and ending 30th November, 1844, inclusive, under various appropriations, viz :

	Per act of 29th Sept., 1843, and special acts.	Per act of 31st May, 1844.	Total.
Paid Comm. of Internal Imp. Fund, viz :			
Maintenance of motive power, special,	\$222,716 37		
Salaries, lock-keepers, collectors, &c.,	24,480 07	\$35,000 00	
Ordinary repairs, act of 8th April, 1843,	12,453 90		
“ “ 19th March, 1844,	60,000 00		
“ “ 31st May, 1844,		113,941 57	
Check-roll and bill creditors,		200,000 00	
Trucks, repairs, &c.,		21,500 28	
Rebuilding and repairing bridges,		18,280 45	
Extraordinary repairs,		5,453 44	
Repairs after 1st December, 1844,		5,300 00	\$719,126 08
Expenses of government,	179,516 48	74,936 63	254,453 11
Militia expenses,	15,541 01	3,610 15	19,151 16
Pensions and gratuities,	18,975 27	16,394 33	35,369 60
Common schools,	165,666 41	95,104 89	260,771 30
Colleges, academies and female semi- naries,	6,789 58		6,789 58
Institution for the instruction of blind,	8,000 00	4,356 65	
“ “ Deaf and dumb,	5,500 00	5,500 00	23,356 65
Loans, special acts,	20,269 10		20,269 10
Interest on loans,	39,762 74	10,780 00	50,542 74
Penitentiaries,	308 00	13,000 00	13,308 00
House of Refuge,		4,000 00	4,000 00
Nicholson lands,	600 21		600 21
Geological survey,	2,200 00		2,200 00
Public ground, buildings and water,	966 56	157 00	1,123 56
Damages, special acts,			3,035 00
State Library,	1,894 00	1,200 00	3,094 00
Domestic creditors,	24,996 81	70,840 54	95,857 35
Huntingdon breach, special acts,	52,700 00		52,700 00
Cancelled relief notes,	174,087 00	100,000 00	274,087 00
Miscellaneous,	3,705 46	2,253 39	
“ Premiums on silk,		62 71	
“ Convention to amend Con- stitution,		47 00	
“ Conveying fugitives, &c.,	1,264 97		
“ Escheats,		237 18	7,570 71
			\$1,847,385 15
Balance in the Treasury, 1st December, 1844,		663,851 88	
Unavailable, deposite in United States Bank,		280,000 00	943,851 88
			\$2,791,237 03

210463

E.

*ESTIMATE of the Revenue of the State of Pennsylvania for the current fiscal year,
ending the 30th day of November, A. D. 1845, to wit:*

Canal and railroad tolls,	-	-	-	-	-	\$1,250,000 00
Tax on real and personal estate,	-	-	-	-	-	1,260,000 00
Auction commissions,	-	-	-	-	-	30,000 00
Auction duties,	-	-	-	-	-	75,000 00
Tax on bank dividends,	-	-	-	-	-	70,000 00
Tax on corporation stocks,	-	-	-	-	-	75,000 00
Tavern licenses,	-	-	-	-	-	45,000 00
Retailers' licenses,	-	-	-	-	-	70,000 00
Pedlars' licenses,	-	-	-	-	-	2,500 00
Brokers' licenses,	-	-	-	-	-	8,000 00
Pamphlet laws,	-	-	-	-	-	500 00
Tax on writs,	-	-	-	-	-	35,500 00
Tax on certain offices,	-	-	-	-	-	5,000 00
Tax on collateral inheritances,	-	-	-	-	-	30,000 00
Enrolment of charters,	-	-	-	-	-	2,000 00
Militia and exempt fines,	-	-	-	-	-	2,000 00
Militia fines under the act of 25th April, 1844,	-	-	-	-	-	23,000 00
Escheats,	-	-	-	-	-	1,500 00
Land and Land Office fees,	-	-	-	-	-	15,000 00
Miscellaneous,	-	-	-	-	-	5,000 00

\$3,005,000 00

To this add the balance in State Treasury 30th November,

1844, - - - - - \$663,851 88

Also, balance in Canal Treasury, - - - - - 39,497 00

703,348 88

\$3,708,348 88

64-401/5

F.

ESTIMATE OF EXPENDITURES of the State of Pennsylvania, for the fiscal year, ending
the 30th November, A. D. 1845, to wit:

Repairs of canals and railroads,	-	-	-	\$200,000 00
Maintenance of motive power,	-	-	-	225,000 00
Salaries of collectors, lock-keepers, &c.,	-	-	-	60,000 00
Canal Commissioners, clerks, &c.,	-	-	-	6,000 00
Expenses of government,	-	-	-	\$491,000 00
Interest on funded debt,	-	-	-	250,000 00
Interest on certificates of loan, for interest due 1st August, 1842, February and August, 1843 and 1844,	-	-	-	1,758,541 56
Interest on 4th May issues,	-	-	-	248,732 00
Interest on certificates to domestic creditors,	-	-	-	21,500 00
Pensions and gratuities,	-	-	-	6,240 00
Salaries to Adj't. General, Brigade Inspectors, &c.,	-	-	-	33,000 00
Militia expenses,	-	-	-	5,000 00
Common schools,	-	-	-	20,000 00
House of Refuge,	-	-	-	200,000 00
Institution for Instruction of Blind,	-	-	-	4,000 00
Institution for Deaf and Dumb,	-	-	-	8,000 00
State Library,	-	-	-	8,000 00
Repair of public ground, buildings, &c.,	-	-	-	1,500 00
Miscellaneous,	-	-	-	500 00
				5,000 00
				<u>\$3,061,013 56</u>

BALANCES OF APPROPRIATIONS *under the act of the 31st May, 1844, remaining unpaid on the 1st of December, 1844, and likely to be called for during the current year, to wit:*

For the expenses of government,	\$175,063 37
For the payment of pensions and gratuities,	30,605 67
For the payment of common schools,	104,895 41
For Institution for the Instruction of the Blind,	3,643 35
For Institution for the Instruction of the Deaf and Dumb,	5,500 00
For payment of interest on 4th May issues,	15,306 15
For payment of Auditor General's certificates to domestic creditors, debt and interest,	102,159 46
For miscellaneous,	2,746 61
For payment of salaries of Adjutant General, Brigade Inspectors, Keepers of Arsenals, &c.	2,389 85
For gratuities to convicts,	600 00
For expenses of the Commissioners, &c., for the sale of Delaware canal, per act of 14th April, 1843,	144 00
For repair, &c., of public buildings and ground,	43 00
For cash payments of interest on the funded debt,	3,220 00
For electors of President, &c.,	800 00
For expenses of prosecuting sundry persons,	800 00

Public Improvements.

For ordinary repairs of canals and railroads,	\$16,559 04
For repairing and re-building road and farm bridges,	15,719 55
For pay of Canal Commissioners, &c.,	3,963 88
For payment of salaries of collectors and all other officers,	25,000 00
For breaches and extraordinary repairs of canal,	44,546 56
For materials, &c., for repairs after the 1st Dec. 1844,	44,700 00
	150,489 03
	\$598,405 60

